

Post-Purchase Data Validation Center: Loan Review Process Steps

This job aid is designed to assist staff responsible for receiving post-acquisition data change review requests and working with Fannie Mae’s Data Validation Center (DVC) on resolution. This process is part of Fannie Mae’s discretionary post-purchase review (DPPR) framework. Included in this job aid are details about the timing of data change review requests, that includes new requests, and how to respond to data change review requests and submit supporting documentation when appropriate.

NOTE: All references in this document to **seller** or **lender** refer to the **responsible party** as defined in the Servicing Guide Glossary. A **responsible party** is a seller, servicer, or other entity that is responsible for the selling representations and warranties and/or for the servicing responsibilities or liabilities on a mortgage loan.

DPPR Data Change Process Steps

The process flow steps correlate to the diagram on page 3.

Step	Loan Delivery and Fannie Mae Data Analysis Process
1	The seller may use loan underwriting and delivery tools, such as EarlyCheck™, Uniform Collateral Data Portal® (UCDP®) Appraisal Messaging, Desktop Underwriter® (DU®) Red Flag Messages, and management reports to increase confidence in its loan delivery data. More information on these tools is available on the Loan Quality page.
2	The lender delivers loan to Fannie Mae via Loan Delivery.
3	Initial loan eligibility assessment (approximately 150 days after delivery): Fannie Mae uses loan-level assessment tools, including technology and proprietary analytical models, to identify loans that may merit further review.
4	Once a loan is selected for further review, Fannie Mae may request the underwriting file for a full review or may choose to evaluate the loan for possible data inconsistencies or inaccurate information.
4a	If Fannie Mae’s review appears to confirm that the loan data is not accurate, but Fannie Mae may be willing to retain the loan on its books with data corrections and possible pricing adjustments, the loan is evaluated with the lender for a potential data change.
4b	If Fannie Mae’s review reveals that additional information is required to confirm the accuracy of the data or eligibility of the loan, the loan file is requested from the lender for review and follows the Discretionary Post-purchase Review path.
5	The DVC manages the data change review process. The DVC reviews loans selected in the loan eligibility assessment (#3) for a possible data change request and confirms the need for the request to be reviewed by the seller. All DVC reviews are now identified and responded to in Loan Quality Connect™.
5a	Loans initially selected for a file review (Step #4b) may be moved to the data change review process if, upon review of the loan file, Fannie Mae determines the loan may remain on Fannie Mae’s books with a data change and possibly a pricing adjustment.
6	<p>Lenders will receive their data change review requests via Loan Quality Connect in interactive time, meaning the lender will receive an email the night of the day the data defect was posted to Loan Quality Connect. Loan Quality Connect directs the loan review to the entity responsible for the selling reps and warrants based on the 9-digit lender identifier level.</p> <p>NOTE: Lenders have 30 days to respond from receipt of email notification.</p>



7	<p>Quick steps to respond to Fannie Mae in reference to your loan review(s):</p> <ol style="list-style-type: none"> 1. Log in to Loan Quality Connect and enter the DVC Response Queue via the menu located on the top left sidebar. 2. Click on the Defects tab to review and acknowledge that a data change is required. The DVC findings comment provides a summary of the data exception and documents required. 3. Update the DVC Data Adjustments tab to notate your response as <i>Rebut</i> or <i>Concur</i> and click Submit Response. If applicable, upload required documentation to the Documents tab. <p>All required documentation or lender appeal information should be uploaded to the Documents tab. To do so, go to the Documents tab, click Upload Additional Document, and complete all fields before clicking Save.</p> <p>NOTE: <i>All comments made by the lender in response to the data change request and all supporting documentation provided by the lender become part of the loan documentation and thus part of the mortgage loan file.</i></p> <p>Failure to deliver data change acceptances or responses within the required 30-day timeframe: failure to provide a requested file within 30 calendar days may lead Fannie Mae to conclude the data is not true, correct, and complete, and to consider other remedies, including referral for a full file review or possible repurchase requests.</p> <p>Status updates: Loan Quality Connect is an interactive system and will reflect updated status immediately. For example, if the loan is waiting for a data change, the loan will reflect <i>Ready for data correction</i>, until the loan has been completed by the Post-Purchase Adjustment team.</p> <p>Modifying contact information: if your company has not designated a data validation contact, the email notification will default to the “UP/Credit Loss/Repurchase” contact your company provided through Form 582/Lender Record Information as part of the annual certification or via a periodic update. To provide a designated data change contact immediately, contact your customer account team or email contact_updates@fanniemae.com.</p>
8	<p>The DVC credit analyst will review lender acceptances, responses, and supporting documentation for all loans in Loan Quality Connect. If the lender does not satisfactorily clear the identified issue(s) and further action or discussion is required, the DVC credit analysts will communicate via the comments section.</p>
8a	<p>If the lender and the DVC Credit Analyst cannot agree on a proposed data change or pricing adjustment within a time frame prescribed by Fannie Mae, Fannie Mae will consider other remedies, including referring the loan for a full file review or possible repurchase request.</p>
9	<p>Once the lender concurs to the data change, most changes completed by the DVC credit analyst with no further action required by the lender.</p>
10	<p>Data change resolutions are sent by the DVC team to the Post-Purchase Adjustment Team to complete the data adjustment, which may result in a pricing adjustment for certain data changes. Pricing adjustments may occur in the form of a debit or credit to the seller’s account based on the result of the data change resolution.</p> <p>MBS Delivery: refunds or drafts that are approved by Loan Operations by the 15th business day of the month will occur in the monthly cycle on the 5th business day of the following month. Any MBS loan-level price adjustments resulting from a post-purchase adjustment will be communicated to the seller through the standard Post-Purchase Adjustment letters and/or via the Risk Based Pricing Report (both are found in Fannie Mae Connect™).</p> <p>Cash Delivery: drafts or refunds will be initiated two business days after successful processing. Upon final approval by Loan Operations, a communication will be posted for the seller through the standard Post-Purchase Adjustment letters (Fannie Mae Connect).</p>

NOTE: *It is important to note that the data change process described in this document is specific to Fannie Mae’s discretionary post-purchase review process. It does not replace Fannie Mae’s process for data changes self-identified by the lender or required for some other reason unrelated to Fannie Mae’s discretionary post-purchase review.*



Post-Purchase Review: Data Change Process

